

Specific Real Estate Issues

Owners, Tenants and Possessors

I. Freehold Estates

- A. An estate refers to the degree, quantity, nature and extent of interest (ownership rights) a person can have in real property
- B. Estates are divided into two general groups:
 - 1. Freehold estates which are for an indefinite length
 - 2. Leasehold estates (or nonfreehold) which are for a fixed term
- C. Freehold estates include:
 - 1. Fee simple estate
 - Fee, fee simple, fee simple absolute. . .defined as the largest bundle of rights we have. All three terms mean the same thing. Most titles are held in fee.
 - 2. Life estate
 - a. Conventional life estates are created by action of the grantor. Use during life of holder or whoever's life the interest is based on. Remainder or Reversion estate
 - b. Legal life estates are created automatically by law
 - 3. Homestead—Big in Florida

II. How Ownership Can Be Held

- A. Severalty—sole ownership. Only one party is needed to sign deed (Spouse must sign if homesteaded)
- B. Co-ownership
 - 1. Tenancy in common
 - 2. Joint tenancy with right of survivorship
 - 3. Tenancy by the entireties

III. Leasehold (Nonfreehold) Estates

- A. An interest in real property for a definite period (measured in calendar time)
- B. Types of leasehold estates
 - 1. Estate for years
 - 2. Tenancy at will
 - 3. Tenancy at sufferance

IV. Partial Freehold

- A. Cooperatives
- B. Condominiums
- C. Time Shares

Specific Real Estate Issues

Mortgages and Mortgage Brokers

- I. Mortgage Broker (MB) F. §. 494.0033, 494.0034, & 494.00295
- II. Mortgage Brokerage Business (MBB) F. §. 494.0031 & 494.0032
- III. Correspondent Mortgage Lender (CL) F. §. 494.0062 & 494.0064
- IV. Mortgage Lender (ML) F. §. 494.0061, 494.0064
- V. Mortgage Brokerage Files Rule 3d-40.175 (Duties)
- VI. Mortgage Brokerage Transaction Journal Rule 3d-40.265
- VII. Mortgage Brokerage Business Disclosures F. §. 494.0038
- VIII. Disposition of Insurance Proceeds F. §. 494.0026
- IX. Conflicting Interest F. §. 494.0023
- X. Prohibited Advertising Practices F. §. 494.00165
- XI. Prohibited Practices F. §. 494.0025
- XVI. Usury (F. §. 687)
- XVII. Record Keeping Rules

Specific Real Estate Issues

Real Estate Agents and Brokers

I. License Categories

- A. Broker
- B. Sales Associate
- C. Broker Associate

II. General Licensure Provisions

- A. Age
- B. High school diploma or its equivalent
- C. Honest, trustworthy
- D. Disclose if convicted of a crime or ever entered a plea of *nolo contendere*
- E. Disclose if ever declared mentally incompetent
- F. Aliases–A/K/A
- G. Disclose if denied, or had a license suspended or revoked in another state
- H. Denied license or registration to practice a regulated profession
- I. Guilty of any conduct or practice that would have been grounds for suspension or revocation under F.S. 475
- J. U.S. citizenship (F.S. 455.10)
- K. Qualification of immigrants for examination (F.S. 455.11)

Specific Real Estate Issues

Appraisers and Building Inspectors

- I. Registered Trainee Appraiser
100 hours

- II. Certified Residential Appraiser
120 hours
2500 hours in 24 months
75 on Exam

- III. Certified General Appraiser
180 hours
3000 hours in 30 months
75 on Exam

- IV. Appraiser Instructor

- V. Inspector's License

- VI. ASHI/NAHI

Specific Real Estate Issues

Surveyors

I. Metes-and-Bounds Description

1. Oldest method of land description
2. Metes refers to *distance* (measured in feet) and bounds refers to *direction*
3. Begin with reference point called a point of beginning (POB)
4. Monuments are fixed objects used to establish boundaries
5. Compass bearings are used to describe the direction of the boundary lines
 - a. Circle = 360°
 - b. Directions given in degrees (°), minutes (′) and seconds (″)
 - c. For example, N 45°E25′N20″E = North 45 degrees, twenty-five minutes, 20 seconds East

II. Description by Government Survey System

1. Used in all states except original 13 states and Tennessee, Kentucky, West Virginia and Texas
2. Based on the logic that you can identify any point on a plane by reference to two axes
3. Primary reference lines running in a north-south direction are called principal meridians and lines running in an east-west direction are called base lines
4. Range lines run north-south every 6 miles. The north-south strip of land formed by two range lines is called a range
5. Township lines run east-west every 6 miles. The east-west strip of land formed by two township lines is called a tier or township
Numbering system of township lines and ranges
6. Intersection of two range lines and two township lines form a 36-mile square called a township
 - a. There are 36 sections in a township
 - b. Numbering system of sections within townships
7. Correction lines
8. Using the government survey system:
 - a. Locating sections
 - b. Subdividing sections
 - c. Calculating size
 - d. "And" in legal description
9. Fractional sections and government lots

III. Plat of survey method

1. Also called recorded plat method and lot and block method
2. Recorded survey called a plat map
3. Platted subdivision divided into blocks and lots

Specific Real Estate Issues

Title Insurers & Probate

- I. Qualifications of Title Insurers
 - A. Application of Florida Insurance Code provisions to title insurance agents or agencies (F. §. 626.8411).
 - B. License and appointments required (F. §. 626.8412).
 - C. Title insurance agents; certain names prohibited (F. §. 626.8413).
 - D. Qualifications for examination (F. §. 626.8414).
 - E. Title insurance agent licensure; exemptions (F. §. 626.8417).
 - F. Number of appointments permitted or required (F. §. 626.8421).
 - G. Number of applications for licensure required; exemption; effect of expiration of license (F. §. 626.8427).
 - H. Escrow; trust fund (F. §. 626.8473).

- II. Practical Examples of Title Insurance
 - A. Murder of One Joint Tenant
 - B. Does Homestead Apply to Life Estate and/or Remainder?
 - C. What Lasting Effect Has an Easement?

- III. Probate
 - A. Legal Requirements
 - B. Wills and Trusts
 - C. Intestate/Testate/Summary Administration?
 - D. Recommended Reading

Homeowners' Insurers

- I. HAZARD INSURANCE
 - A. Physical damage to the property
 - B. casualties such as fire, windstorm, and natural hazards
 - C. Anti-Coercion Statement
 - D. Maximum allowable deductible for mortgages sold to Fannie Mae

- II. Why not Hazard?